

REGULATION 1591.3. VEHICLES FOR PHYSICALLY HANDICAPPED PERSONS.

(a) Definitions.

(1) Physically Handicapped Persons. For purposes of this regulation, “physically handicapped” persons include disabled persons described in Vehicle Code Section 5007 as qualified for special parking privileges.

(2) Vehicle. For purposes of this regulation, “vehicle” includes all devices that qualify under Vehicle Code Section 670 as “vehicles” including, but not limited to, automobiles, vans, trucks, mobilehomes and trailercoaches. “Vehicles” qualifying under this regulation mean and include:

(A) Vehicles which are owned and operated by physically handicapped persons and,

(B) Vehicles which are used in the public or private transport of physically handicapped persons and which would otherwise qualify for a distinguishing license plate pursuant to Vehicle Code Section 5007 if the vehicle were registered to the physically handicapped person or persons.

(b) Application of Tax. Tax does not apply to the sale or use of items and materials used to modify a vehicle for physically handicapped persons when such items are necessary to enable the vehicle to be used to transport a physically handicapped person or persons. Tax does not apply whether the property is installed by the retailer or is sold for installation by other persons. However, sales or purchases of tools and supplies used in modifying the vehicle and which are not incorporated into, attached to, or installed on the vehicle are subject to tax.

Items and materials considered necessary to enable a vehicle to be used to transport a physically handicapped person include, but are not limited to, an interlock system; upper torso restraint; an airbag of a unique type to raise or lower the vehicle for loading or unloading; running boards on lower side of vehicle; a bolt cam used to restrain a wheelchair inside a van; seat belts; a tire carrier to hold a spare and which is installed within reach of a handicapped person; AC lights to illuminate the ramp or elevator area; hardware for privacy curtains; air compressor for use with medical equipment; a 12-volt receptacle to supply power to medical equipment; a 4-point tie down system to restrain a wheelchair; and an allocable portion(s) of the various interior packages, interior materials, and conversions necessary to modify the vehicle for transport of physically handicapped persons.

Items and materials that are generally not considered necessary to enable a vehicle to be used to transport a physically handicapped person include, but are not limited to, an upper torso durable pad (unless part of the restraint); portable ramps (telescopic); air conditioners (unless necessary for the transport of certain types of disabled persons); a fire extinguisher; a CB radio (unless shown to be necessary to the transport of certain types of disabled persons); leather seat covers; extra windows and their accessories; upgrades to the interior (upgrade to leather seats); and an engine cover. The sale or use of such items, whether installed on a vehicle to be used for transport of physically handicapped persons or not, are generally subject to tax.

(c) Sales of Modified Vehicles. Tax does not apply to the gross receipts attributable to the portion of a vehicle that has been modified to enable the vehicle to be used to transport a physically handicapped person or persons when the modified vehicle is sold to a physically handicapped person, as defined.

(d) Repairs to Modified Vehicles. Tax does not apply to the sale or use of items and materials used to repair the modified portion (the portion that contains equipment previously used to modify the vehicle) of a vehicle used to transport a physically handicapped person or persons. Once installed, such “repair parts” qualify as items and materials used to modify a vehicle in order for the vehicle to be used to transport a physically handicapped person or persons.

NOTE: Authority: Section 7051, Revenue and Taxation Code.

Reference: Sections 6006, 6369, and 6369.4, Revenue and Taxation Code.